

**CITY OF PITTSBURG**  
**Redevelopment Agency Minutes**  
**June 5, 2006**

Chair Michael Kee called the meeting of the Redevelopment Agency to order at 8:04 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:15 P.M. for Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding Redevelopment Agency of the City of Pittsburg vs. Caprio et al, Contra Costa Superior Court Case No. C05-02426, and Ronald Huppert and Javier Salgado vs. City of Pittsburg, et al, United States District Court Case No. C05-1433, Conference with Real Property Negotiator pursuant to Section 54656.8 regarding APN 085-205-005, Vacant Lot at SE Corner of Tenth and Cumberland, APN 085-205-002, 1073 Cumberland, APN 085-205-013, 1085 Cumberland, APN 085-205-004, 1037 Cumberland, and APN 085-205-011 Vacant Lot at SW Corner of Los Medanos and Tenth Street; and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding one case.

Chair Kee advised that there was nothing to report from Closed Session.

**MEMBERS PRESENT:** Casey, Glynn, Johnson, Parent, Kee

**MEMBERS ABSENT:** None

**STAFF PRESENT**

Executive Director, Marc Grisham  
Assistant Executive Director, Matt Rodriguez  
Legal Counsel, Ruthann Ziegler  
Deputy City Clerk, Alice Evenson  
City Clerk, Lillian Pride  
Director of Housing and Community Programs, Annette Landry  
Director of Redevelopment Agency, Garrett Evans  
Director of Engineering and Building, Joe Sbranti  
Director of Economic Development, Brad Nail  
Director of Public Works, John Fuller  
Director of Recreation, Paul Flores  
Director of Finance, Marie Simons  
Police Chief, Aaron Baker

**CONSENT CALENDAR**

On motion by Member Johnson, seconded by Vice Chair Glynn and carried unanimously to adopt the Consent Calendar, as follows:

a. **MINUTES** Dated: May 15, 2006

Approved minutes dated May 15, 2006.

**ADJOURNMENT**

The meeting of the Redevelopment Agency adjourned at 8:05 P.M. to June 19, 2006.

Respectfully submitted,

Lillian J. Pride, Secretary

als

**CITY OF PITTSBURG**  
**Southwest Geologic Hazard Abatement District II Minutes**  
**June 5, 2006**

Chair Michael Kee called the meeting of the Southwest Geologic Hazard Abatement District II (GHAD II) meeting to order at 8:06 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:15 P.M. for Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding Redevelopment Agency of the City of Pittsburg vs. Caprio et al, Contra Costa Superior Court Case No. C05-02426, and Ronald Huppert and Javier Salgado vs. City of Pittsburg, et al, United States District Court Case No. C05-1433, Conference with Real Property Negotiator pursuant to Section 54656.8 regarding APN 085-205-005, Vacant Lot at SE Corner of Tenth and Cumberland, APN 085-205-002, 1073 Cumberland, APN 085-205-013, 1085 Cumberland, APN 085-205-004, 1037 Cumberland, and APN 085-205-011 Vacant Lot at SW Corner of Los Medanos and Tenth Street; and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding one case.

Chair Kee advised that there was nothing to report from Closed Session.

**MEMBERS PRESENT:** Casey, Glynn, Johnson, Parent, Kee

**MEMBERS ABSENT:** None

**STAFF PRESENT**

- Executive Director, Marc Grisham
- Assistant Executive Director, Matt Rodriguez
- Legal Counsel, Ruthann Ziegler
- Deputy City Clerk, Alice Evenson
- City Clerk, Lillian Pride
- Director of Housing and Community Programs, Annette Landry
- Director of Redevelopment Agency, Garrett Evans
- Director of Engineering and Building, Joe Sbranti
- Director of Economic Development, Brad Nail
- Director of Public Works, John Fuller
- Director of Recreation, Paul Flores
- Director of Finance, Marie Simons
- Police Chief, Aaron Baker

**CONSENT CALENDAR**

On motion by Member Johnson, seconded by Vice Mayor Glynn and carried unanimously to adopt the Consent Calendar, as follows:

a. **MINUTES** Dated: May 15, 2006

Approved minutes dated May 15, 2006.

**ADJOURNMENT**

The meeting of the Southwest Geologic Hazard Abatement District II adjourned at 8:07 P.M.

Respectfully submitted,

Lillian J. Pride, Secretary

als

**CITY OF PITTSBURG**  
**City Council Minutes**  
**June 5, 2006**

Mayor Michael Kee called the meeting of the City Council to order at 8:08 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:15 P.M. for Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding Redevelopment Agency of the City of Pittsburg vs. Caprio et al, Contra Costa Superior Court Case No. C05-02426, and Ronald Huppert and Javier Salgado vs. City of Pittsburg, et al, United States District Court Case No. C05-1433, Conference with Real Property Negotiator pursuant to Section 54656.8 regarding APN 085-205-005, Vacant Lot at SE Corner of Tenth and Cumberland, APN 085-205-002, 1073 Cumberland, APN 085-205-013, 1085 Cumberland, APN 085-205-004, 1037 Cumberland, and APN 085-205-011 Vacant Lot at SW Corner of Los Medanos and Tenth Street; and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding one case.

Mayor Kee advised that there was nothing to report from Closed Session.

**MEMBERS PRESENT:** Casey, Glynn, Johnson, Parent, Kee

**MEMBERS ABSENT:** None

**STAFF PRESENT** City Manager, Marc Grisham  
Assistant City Manager, Matt Rodriguez  
City Attorney, Ruthann Ziegler  
Deputy City Clerk, Alice Evenson  
City Clerk, Lillian Pride  
Director of Housing and Community Programs, Annette Landry  
Director of Redevelopment Agency, Garrett Evans  
Director of Engineering and Building, Joe Sbranti  
Director of Economic Development, Brad Nail  
Director of Public Works, John Fuller  
Director of Recreation, Paul Flores  
Director of Finance, Marie Simons  
Police Chief, Aaron Baker

**PLEDGE OF ALLEGIANCE**

Students from Hillview Jr. High led the Pledge of Allegiance.

Mayor Kee considered the following general items at 7:20 P.M. prior to pursuing the Redevelopment Agency agenda.

## **PROCLAMATIONS**

### 1. National Hunger Awareness Day

Mayor Kee read the Proclamation for National Hunger Awareness Day, June 6, 2006, and presented the proclamation to Yvonne Beals.

YVONNE BEALS, Pittsburg, representing the Food Bank of Contra Costa & Solano, thanked the City for the recognition of National Hunger Awareness Day. She stated that day had been set aside for non-profit and other grass roots organizations to raise awareness of hunger throughout the community. To honor National Hunger Awareness Day, an event had been scheduled at 655 California Avenue at the Solomon Temple Church, Pittsburg which would provide USDA commodities services to the community. At that time, a Hunger Study of Contra Costa and Solano County, which had identified the faces of hunger, would be released to the community. Further, the organization would be at the Bruce Springsteen concert in partnership with the artist as a champion of hunger.

Ms. Beals referred those interested to [www.foodbankCCS.org](http://www.foodbankCCS.org) for additional information on National Hunger Awareness Day.

## **PRESENTATION**

### 1. Hillview Jr. High School Washington, DC Trip Report

Laura Francis, Hillview Jr. High School Teacher, reported that 30 students had attended the trip to Williamsburg, Virginia and Washington, D.C. in a six-day educational trip.

Hillview Jr. High students Tunmishe Ogunsanya, Sabrina Sanchez, Ivri Card, Charles Jones IV, Johnathan Chand, and Kristian Gonzalez presented pictures of his/her favorite places from the trip to Williamsburg and Washington, D.C.

Ms. Francis commented that more of the students who had participated in the trip had wanted to attend the meeting but had been unable to do so. She reported that the students had been well behaved on the trip. She thanked the City for its contributions in allowing the trip to occur and she thanked the Council for its support.

## **COUNCILMEMBER REPORTS/REMARKS**

Councilmember Johnson reported on the Memorial Day services that had been held in the City and throughout the region. He advised that he had met with Senator Torlakson to discuss the AT&T Bill. He also reported that the Car Show in Old Town had been well attended.

Councilmember Parent stated that since the last meeting she had served lunch at the Senior Center so that the 12 to 15 volunteers who regularly served lunch could themselves be served. She stated that there had been a good turnout at that time.

Councilmember Parent reported that the School District Liaison Committee had met with the Superintendent and two representatives of the School Board to discuss the shared use of school sites on a joint use basis for Heights Elementary School Park and for the Marina School. She had also attended the opening of the John F. Kennedy Counseling Center, and the Dow wetlands event which had been well attended. As a member of the Board of Directors of the Delta Diablo Sanitation District (DDSD), she reported that the DDSD was continuing on its path of excellence in that Shawn Redmond had been chosen as the State of California Mechanic of the Year by the California Water Environment Association. In addition, the California EPA Household Hazardous Waste and Used Oil Recycling Program awarded the DDSD an award for the best new "U" Waste Collection Program. The DDSD had also received honors from the California Association of Public Information Officials for its program advising people of mercury reduction and fluorescent tube programs. .

Councilmember Parent also reported on her attendance at the Los Medanos College Foundation Wine Tasting Fundraiser at the Antioch Historical Museum, and a dedication of the Oasis Project at Riverside School. She noted that the Oasis project had come in under budget. Because of that additional improvements would be made to the school.

Councilmember Parent further reported that she had attended the Kennedy/King Scholarship Dinner and the County Fair VIP dinner for the fair openings. She added that the City of Pittsburg had a team along with five other teams of Pittsburg citizens for Relay for Life at the Antioch High School Track. She encouraged members of the community to make a pledge to those participating in the Relay for Life event where participants would be circling the track for 24 hours in support of people pledging money for services and support for those suffering from cancer.

Vice Mayor Glynn reported on the State of the City Address on May 17. He had also participated in Armed Forces Day on May 20, and had completed his schooling at Napa Valley Community College with an Associate Science Degree in Wine Technology and Viticulture. He had also attended a meeting of the Tri-Delta Transit Commission, had participated in the Ethics Training, had presented two scholarships to St. Peter Martyr School students on behalf of the American Legion Post 151, had attended the Blues Festival, and had participated in a number of Memorial Day activities, along with the Mayors' Conference, and had visited the offices of Russell Townsend, Counsel for the Transbay Cable Project and the Pittsburg Power Company.

Councilmember Casey reported that he had spent his time visiting his grandchildren.

Mayor Kee summarized the State of the City Luncheon, the groundbreaking

ceremony for the Gateway Project at Tenth and Railroad, and the Career Day Festivities at Hillview Jr. High and Central Jr. High Schools.

Mayor Kee also advised that he had attended a community meeting put on by Central Jr. High in which they would be seeking community involvement from parents of students and the community. He had also presented a proclamation to the local Veterans groups on Memorial Day, and had attended the Mayors' Conference with discussions on AB 2987, the Cable and Video Service Bill now in the State Senate.

### **CITY MANAGER REPORTS/REMARKS**

City Manager Marc Grisham thanked the Council for its continued support and commitment of Veterans activities. He reminded members of the Council of the schedule for the Car Shows on Thursdays from 6:00 to 8:00 P.M., and the Old Town Farmer's Market on Saturdays, with Wine Tasting. On Sunday, June 11, Old Town Sounds would be presented at the Harbor Park Plaza area in the Marina from 4:00 to 6:00 P.M. He urged members of the community to participate in the Old Town events.

### **CITIZEN REMARKS**

MIKE LENGYEL, Pittsburg, invited everyone to attend the "Fit Fest" Health Fair from 9:00 A.M. to 3:00 P.M. on Saturday, June 3, which race would start adjacent to the Pittsburg Health Clinic and follow the Delta De Anza trail behind Los Medanos College. He added that activities had been planned for the event. With respect to the Delta De Anza trail, he suggested it could be cleaned up and made a wonderful asset to the community. He urged the Mayor to challenge the Mayor of Antioch to participate in the 5K Fun Run as part of the Fit Fest event.

JUNE FORSYTH, Pittsburg, commented that she had previously addressed the Council regarding the poor condition of eastern levee rocks in the George Lowy Marina and the dilapidated memorial fishing boat at the corner of Third Street and Marina Boulevard. She was happy to report that the fishing boat had been cleaned up and painted, although she suggested that the brass plaque with the names could be burnished and that the grout could be cleaned up to allow the names to be more readable. She stated that the rock work at the Marina had begun. She thanked the Council for the clean-up that she had earlier identified. She otherwise requested the consideration of shade trees in the Marina promenade area.

Mr. Grisham stated that the Public Works Department had been responsible for rehabilitating the fishing boat. He thanked that Department for the nice job.

Mayor Kee adjourned to the Redevelopment Agency agenda at 8:04 P.M. and reconvened as the City Council at 8:08 P.M.

### **CONSIDERATION**



1. **REPORT**

Fire Line Water Service Charge Implementation Status Report

City Manager Grisham reported that the City had adopted new water and sewer rates in May 2005 and Public Works and Finance Department staff had been implementing the new service charges over the past year. Fire line water service charges were one of the last of those new or revised fees to be implemented. Fire line service charges had met with the greatest amount of customer dissatisfaction of all new water and sewer fees to date. This report provided an update and clarification on the development and implementation of fire line service charges.

No decision was being requested of the City Council, so there was no fiscal impact. The fire line service charges represented approximately \$590,000 in annual revenue, or approximately 4.4 percent of total water fund revenue.

It was recommended that the City Council receive and accept the Public Works fire line service charge report and that the City Council direct staff to work with the affected property owners and businesses. Staff would report back to the City Council prior to Fiscal Year 2006/07 and report on the progress of correcting any discrepancies that could be in existence based on physical circumstances at a specific property.

Vice Mayor Glynn asked about the question of insufficient water pressure being available from the City's main line in order to provide the fire service connection at the appropriate pressure. He questioned whether or not one of the methodologies would come off the main supply with a larger pipe to come down in size to meet the fire service connection. He described that situation as being necked down in order to hold the pressure up that needed to meet code for fire suppression.

Director of Public Works John Fuller stated that fire flow pressure was not that high compared to the kind of pressure needed in the home. He explained that water pressure going into a hydrant was re-pumped into a fire truck for actual fire pressure, and was required to be maintained to meet fire codes, although not that high. It was his belief that having oversized service was because it was convenient for people to do. He suggested that many fire services were oversized and that some charges could be reduced by 50 percent in some cases if the property owner or business owner paid a fire service company to do the necessary calculations. He stated, for instance, that a six-inch service might be dropped to a two-inch service, where a bill would go from \$300 to \$50 a month. He suggested it was a matter of confirming that the fire service was not oversized when originally installed.

Vice Mayor Glynn suggested that many of the lines could be determined by visual observation.

Mr. Fuller stated that the desire was to avoid the need for physical changes,

although in a small storefront operation, as an example, a calculation could be made of the demand and the bill could be adjusted accordingly for service of water to that system.

In response to Councilmember Johnson, Mr. Fuller noted that many older systems in older commercial buildings did not have fire service and there were no charges as a result.

Councilmember Parent verified that a public re-noticing of those affected would be advised of the need to determine whether or not the building had oversized fire service and the affected parties would need to apply for a reduction. She verified that it was not the City's plan to physically inspect the fire services as a service to the property owners to be able to make those calculations.

Mr. Grisham verified that staff would work with those involved to identify the situation. He explained that the notices would be sent out as had occurred in the past and that people would be made aware of the situation. It would be incumbent upon the affected party to work with City staff to address the issue.

In response to the Vice Mayor as to how water used to put out a fire in an apartment unit, for instance, would be charged for recovery, Mr. Fuller reported that fixed service charges for all water customers collected the fire service demand on the system from the system of hydrants throughout the City. The difference between a dedicated fire service was that the customer with a fire service dedicated to his/her building would have significantly more protection than a customer who would only have fire hydrant service. He noted that businesses would still benefit from a fire hydrant whether there was a fire line or not. The cost of a fire hydrant system was incorporated into the basic service rates for all customers for the fixed portion of the service charges.

Mr. Fuller added that there were some customers in the system who had private fire hydrants. Those customers had been informed that if dedicating those lines and providing an easement to the City and incorporating the line into the City's system, those customers would then stop receiving a fire line charge. The only reason at this time that those customers were receiving a fire line service charge was because the hydrants were technically private serving only that specific development.

#### PUBLIC COMMENTS:

KIM DIXON, Collier Wine Logistics, Clayton, stated that she had been a business owner in the City for seven years. She had received one public notice last October but had received no others since that time. She emphasized the importance of every business owner to know what would occur in this case. Of the 1,600 businesses affected by the proposal, she noted that only a group of eight had shown up to address the situation.

Ms. Dixon encouraged the City to seriously consider the increase being proposed. She wanted to know what would occur to those businesses that had been sent to

collections and which had been advised that their water would be turned off. She emphasized the inconsistencies involved and requested that the collection notices and threats of turning water off be terminated pending a resolution of the situation.

Mr. Fuller stated with respect to collections that the property owner of the Town Center located on Railroad Avenue where Walgreen's had been built owned property with a dozen or more storefronts, and that a tenant in that center had received a collection notice. He stated that the shut off notice had been suspended in that case because the tenant was willing to make an analysis of the fire service fees. That tenant had acknowledged with staff that while the fees might be reduced, they would not be eliminated and that customers should at least pay a portion of the bill to avoid shut off notices during this process. He stated that the letters to be sent out to fire line customers would encourage customers to be attentive to the information being sent.

Of the letters sent out to the affected customers, Mr. Fuller reported that only two related to fire line charges while two others related to other charges. All letters to customers had been submitted to the Council in the packet.

Mr. Fuller added that there had been little feedback from the business community after those initial letters had been sent, including limited attendance with the Chamber of Commerce when discussing that issue. Ultimately, the fire line service charges could not be changed without information as to the actual size of the fire service. The letters would not be in the water bills, but would be sent directly to the affected businesses and those business owners would be responsible to respond back to the City.

Ms. Dixon stated that she had been paying a portion of her water bill, although her bill had gone to collection and she had gotten a shut-off notice. She asked what she could do to alleviate the situation related to collection and shut-off.

Mr. Fuller stated that if Ms. Dixon was willing to work with the City to resize the meter, he would prefer something in writing or a phone call to verify that information to stop the service shop off.

Ms. Dixon emphasized that she had received only one notice on the issue and would like to obtain a copy of any other notices that had been sent out to the public.

MIKE STOIBER, Pittsburg, representing the Pittsburg Chamber of Commerce, noted that while his business had not been affected by the water rates, other businesses in the community had been affected. He explained that businesses did not know what to look for in the way of fire service. He also commented that once it had been established that a two-inch as opposed to a six-inch service had been identified, he asked whether there would be refunds from bills already paid. He was advised by staff that reimbursements would be made.

Mr. Stoiber emphasized that businesses had not been apprised of the situation and he objected to the increased charges. He noted the questions that had been raised as a

result of the situation. He stated that the Chamber of Commerce had submitted letters to its members to ask businesses if they were being affected by the increase in fire line water service charges. He stated that businesses had been asked five questions in that letter where 300 to 1,000 percent increases had been identified. He urged the City to reevaluate the situation and to work with those who had the problem.

Mr. Grisham stated that to date there had been a small number of people who had approached the City. He stated that the City was willing to fix the issue where there was a problem. He reiterated the staff effort to make people aware, which had included working with the Chamber of Commerce. He stated that a way had now been identified to help those businesses that did have a problem.

Councilmember Johnson asked Mr. Fuller if he had spoken with those who had a problem with the fire service charges, to which Mr. Fuller advised that he had written letters to several people and had spoken with several people over the phone. He had advised that affected parties could work to downsize the bills and could identify the size of service needed which might be too large and which could be reduced in size.

Mr. Fuller reported that staff had a meeting with the Chamber of Commerce prior to the adoption of the fire line water service charge and the Chamber should have expressed concerns at that time. He explained that the Town Center on Railroad Avenue was aware of the stand pipe size which was visible outside the building. He added that the original letter had stated that affected parties should call the City with any questions. With a call, the City could have evaluated the situation and downsized the bill, if needed.

Councilmember Parent thanked the Chamber for agreeing to hold the informational meetings prior to the Council's adoption of the charges, and which had identified the methodology used in the calculation of the charges and the process. She thanked all those in the City who had received a reduction in water bill for the years where he/she had paid for the oversized lines to protect the businesses without charging the businesses and allowing all the residential customers to pay prior to deciding to charge those actually using the fire services. She expressed her hope that those affected businesses would call the Public Works Department to find out what was really needed to ensure that those businesses were actually being charged for what was needed.

Vice Mayor Glynn suggested that no action be taken at this time. He recommended tabling the item until the June 19 meeting to craft some systematic approach to resolve the situation. He suggested that the Public Works Department could be overwhelmed with over 1,600 businesses that would need to be apprised of the size of existing water service compared with the necessary size of water service required.

Councilmember Casey recommended that the Council be provided with a specific report on the complaints that had been made and an identification of what had been done in that regard.

Councilmember Casey urged the Chamber to notify all its business members that if there was a problem the City should be called, that a record be kept of each complaint, and

that a report be submitted to the Council on what had been done to address each unique complaint.

Vice Mayor Glynn made a motion to table the Fire Line Water Service Charge Implementation Status Report to June 19, 2006.

Councilmember Johnson suggested that the item not be tabled, simply that it be returned at the June 19 meeting with Councilmember Casey's recommendation for specific information on complaints. He seconded the motion with that amendment.

When asked, Mr. Grisham stated that there would be no problem continuing the item. He was aware of no more than 22 complaints. By approving the process, he stated that everyone would be notified and an appeal process would be created.

Vice Mayor Glynn withdrew his motion to table the item and move forward to adopt the report with the changes.

On motion by Vice Mayor Glynn, seconded by Councilmember Parent, to adopt the Fire Line Water Service Charge implementation status report with staff directed to provide a specific report on the complaints that had been made and what had been done in that regard, with the Chamber of Commerce to notify all its business members that if there was a problem that the City be called and that a record be kept of each complaint, with a report back to the Council on what had been done to address each unique complaint.

2.     **RESOLUTION 06-10553**   Approval and Authorization of the City of Pittsburg to Issue and Sell Taxable Pension Obligation Bonds Series 2006

Mr. Grisham advised that on February 6, 2006 the City Council adopted Resolution No. 06-10477 that provided for the issuance of one or more series of City of Pittsburg Taxable Pension Obligation Bonds (POB) and authorized the court validation action process and the preparation of related bond documents. The proposed City Council action for the June 6, 2006 meeting would authorize staff to move forward with the POB program by approving the issuance of City of Pittsburg Taxable Pension Obligation Bonds Series 2006 and all related bond documents required to complete the transaction. He added that the City would also create a pension reserve fund to provide a future cushion.

The fiscal impact of the proposed POB financing would be to reduce the annual retirement costs during the first eight years of the bond transaction that would provide budgetary relief to the City's General Fund. Otherwise the City would have to pay an additional \$1,382,131 in costs each year for fifteen years due to the unexpected County Plan unfunded accrued actuarial liability (UAAL). The City could not afford this additional impact on the City budget due to the General Fund's current structural deficit situation.

As a result of this bond financing and restructuring, the City would achieve significant cash flow savings in the first eight years of the program that would reduce the impact of the

County's annual UAAL cost of \$1,382,131 to zero. Annual debt service on the POBs increased by \$1.4 million in 2015 and then only increased approximately 1.5 percent annually or \$55,000 to \$70,000 per year thereafter through 2035. POB debt service costs were structured to equal the baseline UAAL pension funding requirements between 2015 through 2021, providing neutral cash flow savings. There were annual negative cash flow savings beginning in 2022 through 2035 due to the fact that the County obligation was being restructured or re-amortized from 15 years to 30 years.

The combination of up-front savings for the first eight years and negative cash flow savings after 2022 results in higher POB debt service compared to the UAAL minimum payments for both PERS (Public Employees Retirement System) and the County retirement plans through 2035. However, the beneficial impact of structuring the cash flow savings up front would provide both near-term budget relief and results in a total present value savings of almost \$3 million. Additionally, this bond financing would also eliminate the negative amortization of \$19.7 million that would accrue in 2035 under the PERS Miscellaneous Plan in addition to the reduced payment benefits noted above. With this consideration, the Financing Team estimated a total present value savings in excess of 12 percent or \$5 million for the overall bond transaction depending on the actual interest rates when the bonds were sold.

All costs associated with the bond financing including bond counsel, underwriter, financial advisor, disclosure counsel and actuarial consultant, would be paid through the bond issue and would not impact the City's General Fund.

It was recommended that the City Council adopt a resolution that would provide for the issuance of City of Pittsburg Taxable Pension Obligation Bonds Series 2006 and authorize related bond documents that were required to complete the bond transaction.

Councilmember Parent supported the creation of a pension reserve fund to provide a future cushion. With respect to Page 40 of the document, she noted that the reference to Best Buy was incorrect in that the business was not in the business of converting paper and paper board products.

Mr. Grisham stated that error would be corrected in the document.

Mayor Kee reported that he had discussed his concerns with the City Manager and his concern with leaving a bill to a future City Council. He urged the creation of an air tight pension reserve fund so that a future City Council would not have the option of taking that money and spending it on something else.

On motion by Vice Mayor Glynn, seconded by Councilmember Parent and carried unanimously to adopt Resolution 06-10553.

## **CONSENT CALENDAR**

Councilmember Parent referred to Item k. She did not want to see that type of report this late in the process. As to Item e. she stated that as a Director of the Delta Diablo Sanitation District she would be approving the contract also as a member of that Board. She verified with the City Attorney that there would be no conflict in that situation.

On motion by Councilmember Johnson, seconded by Councilmember Casey and carried unanimously to adopt the Consent Calendar, as follows:

- a. **MINUTES** Dated: May 15, 2006  
  
Approved minutes dated May 15, 2006.
- b. **CLAIMS** #1691 Brenda C. Lewis; #1711 Nichole Devillier  
  
Denied claims #1691 Brenda C. Lewis and #1711 Nichole Devillier.
- c. **RESOLUTION 06-10554** Authorization to Accept and Appropriate Grant Funds from the State of California Office of Traffic Safety DUI Enforcement and Awareness Program  
  
Adopted Resolution 06-10554.
- d. **RESOLUTION 06-10555** Approval of Sister City Visit to Isola delle Femmine, Italy  
  
Adopted Resolution 06-10555.
- e. **RESOLUTION 06-10556** Approval of Delta Diablo Sanitation District Street Sweeping Contract Amendment No. 2  
  
Adopted Resolution 06-10556.
- f. **RESOLUTION 06-10557** Award 2006/2007 Water Treatment Plant Chemical Purchase Contracts  
  
Adopted Resolution 06-10557.
- g. **RESOLUTION 06-10558** Approval to Change the Method of Accessing Daily Bank Information  
  
Adopted Resolution 06-10558.
- h. **RESOLUTION 06-10559** Accepting Contract 00-02, Buchanan Road Improvement Project as Complete, Authorizing the City Engineer to

File a Notice of Completion, and Reallocate Remaining Budget Balance Back to Measure C Fund Account

Adopted Resolution 06-10559.

- i. **RESOLUTION 06-10560** Accepting Contract 00-02-B, Buchanan Road Driveway Improvements as Complete and Authorizing the City Engineer to File a Notice of Completion

Adopted Resolution 06-10560.

- j. **RESOLUTION 06-10561** Rejecting Bids for the Water Treatment Plant Security System Project

Adopted Resolution 06-10561.

- k. **REPORT** Receive and File the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005 and the "Audit" Memorandum on Internal Control Structure for the Year Ended June 30, 2005

Adopted the Report.

- l. **RESOLUTION 06-10562** Awarding Contract 2004-11, Crestview/Harbor Water Main Improvements, for Installation of Water Mains Within Local Arterial and Collector Roads

Adopted Resolution 06-10562.

- m. **MINUTE ORDER** Review of City's Conflict of Interest Code

Reviewed City's Conflict of Interest Code.

**ADJOURNMENT**

The City Council adjourned at 8:56 P.M. to June 19, 2006.

Respectfully submitted,

Lillian J. Pride, City Clerk

als